

## **Administrative Settlement- Purchases above Market or Fair Market Value**

Name of Grantee/Sponsor:

Name and Address of all properties:

Brief Description of Project:

Source of Funding: HOME, CDBG, HOPWA, ESG, SHP, NSP, CDBG-R, Public Housing

Issue: Whether the amount paid for the property was reasonable given extent of public funding

Criteria Being Applied: HUD Handbook 1378 Chapter 5, OMB Circular A-87 Attachment C Basic Guidelines (1) and (2)

Analysis: Review the following:

1. The property values shown on appraisals, comparables, multiple listing services, etc.
2. The letters/emails with offers/counter offers showing whether negotiations took place
3. The public purpose (affordable housing, economic development, public facilities, etc)
4. The difficulty obtaining sites (i.e., zoning, nimbyism, physical or geographic limitations)
5. Market factors (i.e., accelerating or declining, previous offers, last sales)
6. The cost of litigation
7. A comparison to other affordable housing (cost per square foot)
8. The seller's level of sophistication/ representation by knowledgeable real estate broker

Determination and Rationale for Determination

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Authorized Officials Signature

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AUTHORIZED OFFICIAL's NAME AND TITLE

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Date of Determination

List of Supporting Documents attached to support conclusion: Appraisals, letters to property owner, other documents used to analyze property value, market reports, cost of other affordable housing projects.